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REDACTED - FOR PUBLIC INSPECTION

June 14, 2019

VIA ECFS

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

**Re: CG Docket No. 13-24 - In the Matter of the Misuse of Internet Protocol (IP)
Captioned Telephone Service; CG Docket No. 03-123 - Telecommunications
Relay Services and Speech-to-Speech Services for Individuals with Hearing and
Speech Disabilities**

Dear Ms. Dortch:

On behalf of ClearCaptions, LLC enclosed for filing is the redacted version of the Notice of Ex Parte Communication for filing in the above referenced proceedings. The version of the filing has been marked "REDACTED – FOR PUBLIC INSPECTION", in accordance with the Protective Orders issued in the proceedings.

Any questions relating to this submission should be directed to the undersigned.

Respectfully Submitted,

/s/ Tamar E. Finn

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June 14, 2019

Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-A325
Washington, DC 20554

**Re: NOTICE OF EX PARTE COMMUNICATION
CG Docket No. 13-24 - In the Matter of the Misuse of Internet Protocol (IP)
Captioned Telephone Service; CG Docket No. 03-123 - Telecommunications
Relay Services and Speech-to-Speech Services for Individuals with Hearing
and Speech Disabilities**

Dear Ms. Dortch:

ClearCaptions, LLC ("ClearCaptions" or the "Company"), through its undersigned counsel, files this Notice of *Ex Parte* meetings. Robert Rae, President and CEO, Michael Strecker, Vice President of Regulatory and Strategic Policy and the undersigned met with Michael Carowitz, Special Counsel to Chairman Ajit Pai, and Spencer Reeves, Intern in Chairman Pai's Office on June 12, 2019, and on June 13, 2019, met separately with Travis Litman, Chief of Staff to Commissioner Jessica Rosenworcel and Arielle Roth, Legal Advisor to Commissioner Michael O'Rielly.

ClearCaptions urged the Commission to adopt its proposed four-tier model for the IP CTS rate structure.¹ ClearCaptions explained that it needs rate certainty for the next five years to attract new capital investment necessary to continue improving its IP CTS service offerings.

¹ See Initial Comments of ClearCaptions, LLC, CG Docket Nos. 13-24 and 03-123, at 11-23 (filed Sept. 17, 2018); Reply Comments of ClearCaptions, LLC, CG Docket Nos. 13-24 and 03-123, at 5-6 (filed Oct. 16, 2018); see also ClearCaptions, LLC Ex Parte, CG Docket Nos. 13-24 and 03-123, Exhibit 1 at slides 8-9 (filed Nov. 7, 2018).

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ClearCaptions' service offerings make communications services accessible to hard-of-hearing consumers that need IP CTS to live independently and remain connected to family, friends, and the businesses that serve America's aging population. The discussions were consistent with the attached handout provided to the meeting participants.

ClearCaptions also demonstrated to Mr. Litman the ASR platform it is testing on its new mobile IP CTS application.

ClearCaptions looks forward to working with the Commission on a long-term rate solution for IP CTS and stands ready to continue those productive discussions.

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Tamar Finn

Tamar E. Finn

Counsel to ClearCaptions, LLC

Enclosure

cc: Michael Carowitz
Travis Litman
Arielle Roth
Spencer Reeves

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Cost Trends and Tiers

June 12/13, 2019



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Market Share Trends

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- ClearCaptions continues ***BEGIN HIGHLY CONFIDENTIAL***
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- The largest provider continues to drive ***BEGIN HIGHLY CONFIDENTIAL
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Proving the Cost Curve & The 4 Tier Model

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- In Mid 2017, ClearCaptions presented to the Commission a projected cost curve that a stand-alone IP CTS provider should realize as they gained scale. We created this cost curve using our experience and similar cost analysis of other industry players at different points in their growth
- YoY ClearCaptions continues to track very close to this curve, supporting our projected cost curve and the tiered model
- The green line represents the realized rate of our tiered model at an 8% to 12% profit margin

ClearCaptions vs. the Industry

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- Industry W. Average costs have been relatively flat since 2016
- While ***BEGIN HIGHLY CONFIDENTIAL***
END HIGHLY CONFIDENTIAL other providers appear to be projecting cost increases
- A long-term rate model is necessary in order to stabilize the Fund and provide predictability

Tiered Rate Proposal

- In order to solve the economical challenges associated with having *****BEGIN HIGHLY CONFIDENTIAL***** *****END HIGHLY CONFIDENTIAL*****, ClearCaptions presented a 4 tier model that would:

- Ensure competition exists within the market
- Doesn't over compensate the largest provider
- Doesn't force providers, operating efficiently within their scale structure, to leave the market

- The following represents this 4 tier model:

4 Tier Model					
	Minute Threshold			Tier Min value	Proposed Rate
Tier 1	-	to	3,500,000	3,500,000	1.9467
Tier 2	3,500,000	to	7,000,000	3,500,000	1.4289
Tier 3	7,000,000	to	10,000,000	3,000,000	1.2475
Max Tier	10,000,000	>			1.0403